

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 13-14, 2005

Reference No.: 4.2
Action Item

From: CINDY McKIM
Chief Financial Officer

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Aeronautics

Ref: **ADOPTION OF THE RATE FOR LOCAL GOVERNMENT MATCHING OF CALIFORNIA AID
TO AIRPORTS PROGRAM (CAAP) GRANTS
RESOLUTION G-05-**

ISSUE:

Under state requirements, the California Transportation Commission (Commission) is required to annually establish the rate at which local governments must match Acquisition and Development (A&D) grants from the Aeronautics Program.

RECOMMENDATION:

The Department recommends that the Commission approve the attached resolution to set the A&D matching rate at ten percent for Fiscal Year 2005-06.

BACKGROUND:

State law (Public Utilities Code Section 21684) requires local sponsors to match A&D grants at a rate of between 10 percent and 50 percent of the project cost. This law also requires the Commission to establish the matching rate annually.

In prior years, the Commission has established the matching rate at 10 percent. In 1995, the Commission stated its intention to consider changing the matching rate only at the same time as its biennial adoption of the Aeronautics Program. The 2004 Aeronautics Program that the Commission adopted at the June 2004 meeting was developed using a 10 percent matching rate. Fiscal Year 2005-06 is the second year of the 2004 Aeronautics Program.

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

Establishment of Local Government Matching Rate for Acquisition and Development Grants for Fiscal Year 2005-06

Resolution G-05-

- 1.1 WHEREAS, pursuant to Section 21684 of the Public Utilities Code, the California Transportation Commission is charged with the responsibility of establishing the percentage rate of matching funds to be provided by public entities for Acquisition and Development (A&D) projects under the California Aid to Airports Program (CAAP); and
- 1.2 WHEREAS, a 10 percent matching rate would be compatible with the Federal Aviation Administration's grant program; and
- 1.3 WHEREAS, a 10 percent matching rate encourages timely use of funds from the Aeronautics Account; and
- 1.4 WHEREAS, a 10 percent matching rate ensures that the maximum number of airport sponsors can participate in the Aeronautics Program; and
- 1.5 WHEREAS, the 2002 Aeronautics Program was developed with a matching rate of 10 percent.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission hereby establishes the local government matching rate for Fiscal Year 2005-06 for Acquisition and Development projects in the Aeronautics Program at 10 percent of the nonfederal portion of an airport project.